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TAGS: [PREL](#) [ECIN](#) [ASEAN](#) [CH](#) [ID](#) [XC](#) [XE](#)
SUBJECT: PRC-INDONESIA: INCREASED PRC DIPLOMATIC
ASSERTIVENESS, UNDERLYING TENSION

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Classified By: Political Minister Counselor Aubrey Carlson for reasons
1.4 (B/D).

11. (C) SUMMARY: PRC State Councilor Dai Bingguo's "warm, friendly" January 21-26 visit to Indonesia reinforced the perception that China-Indonesia relations have been relatively free of tension of late; however, in reality PRC diplomatic assertiveness with Indonesia has risen steadily in recent years, according to an Indonesian Embassy official. The Indonesian official suggested that the strong (per usual) PRC reaction to the United States announcement of arms sales to Taiwan and to the President's plan to meet the Dalai Lama is intended to preserve domestic political legitimacy and to warn other countries that there are consequences for violating PRC "core interests." These warnings have influenced Indonesia's posture on PRC "core interests." Competition between Indonesia and China for influence in Southeast Asia, combined with past frictions, creates an undercurrent of tension in the bilateral relationship, according to the Indonesian diplomat. END SUMMARY.

Indonesian Views on PRC Diplomatic Assertiveness

12. (C) The PRC was increasingly assertive in its interactions with Indonesia, but there had not been any recent spike in diplomatic pressure, Indonesian Embassy PolCouns Gudadi Bambang Sasongko told PolOffs February 8. As evidence of growing PRC assertiveness, Sasongko noted past PRC objections to proposed visits of the Dalai Lama and the May 2006 transit of Taiwan then-President Chen Shui-bian as well as the PRC's strong reaction to June 2009 arrest of Chinese fisherman in Indonesia's EEZ. During the July 2009 visit of Indonesian then-Foreign Minister Hassan Wirajuda, PRC officials had insisted that the sailors had been fishing in "historical fishing grounds" and had reiterated extensive PRC claims in the South China Sea by flatly declaring to the Indonesians: "We have a border." Most recently, however, Sasongko said, relations had been relatively tension-free as evidenced by State Councilor Dai Bingguo's late-January visit to Indonesia.

13. (C) Sasongko suggested that Indonesia's growing caution on PRC "core interests," (i.e., not hosting the Dalai Lama and maintaining non-official, commercially-driven ties with Taiwan) had spared Indonesia from the type of diplomatic protests that the PRC had recently directed at the United States. While the PRC had never threatened Indonesia with specific measures for violations of its "core interests," Indonesia was not ready to risk PRC retaliation that might undermine Indonesia's economic development. Negative PRC reactions to Dalai Lama meetings with French President Sarkozy and German Chancellor Merkel had also influenced Indonesia's posture on these issues. Despite PRC sensitivities on Taiwan, Indonesia continued to welcome discreet Taiwan investments because they created local

employment. In contrast, he said, PRC investment projects consisted mainly of "building a bridge" but resulted in few jobs for Indonesians.

14. (C) Sasongko stated that Indonesia paid close attention to PRC reactions to U.S. actions and argued that the PRC reaction to the U.S. announcement of arms sales to Taiwan and President Obama's plan to meet with the Dalai Lama was not only a sign of displeasure with the United States but also reflected PRC leadership desire to preserve its domestic legitimacy as well as the PRC's international image as a rising power that must be respected.

State Councilor Dai Visit to Indonesia

15. (C) State Councilor Dai Bingguo had enjoyed a "warm, friendly" visit to Indonesia January 21-26 at the invitation of Indonesian Coordinating Minister for Politics, Law and Security Affairs Djoko Suyanto, Sasongko said. Dai had met with President Yudhoyono and Vice President Boediono, and signed a plan of action for the implementation of the PRC-Indonesia strategic partnership. Neither side had raised contentious issues, and there was no discussion of differences over implementation of the China-ASEAN FTA, which took effect January 1. The two sides had discussed plans for President Yudhoyono to attend the Shanghai World Expo, but specific dates had not been set, according to Sasongko.

Competing Vision for Region

BEIJING 00000393 002 OF 002

16. (C) Sasongko asserted that Indonesia was the only country in Southeast Asia that consistently and unequivocally upheld democracy and human rights as key principles and took action through the Bali Democracy Forum to push for political progress throughout the region. The PRC preferred to focus regional attention on economic integration and sought to put off political differences until economic interdependence had taken further root. This divergence between Indonesia's focus on regional political development and China's emphasis on regional economic integration, as well as past historical tensions with the PRC, contributed to friction in the bilateral relationship. Still, according to Sasongko, both sides sought to keep relations in a positive direction through the PRC-Indonesia strategic partnership.

HUNTSMAN